

Journal of Policy Science Vol.11

## Globalizing Welfare

Stein KUHNLE<sup>\*</sup>

### Abstract

The article reviews briefly the development of social policy and the welfare state in a historical and geographical perspective and discusses the impact of globalization on welfare state development. So far, impact in the meaning of a “race to the bottom” of welfare states cannot be substantiated. It is distinguished between different aspects of globalization: economic, political and cultural, and it is argued that there is no clear link between economic globalization and welfare state development and that it is necessary to study the political and cultural dimensions of globalization in order to understand social and welfare policy development. In general, it is argued that also social policies and the welfare state are globalizing, and it is observed that emerging economies expand social policy and that they also introduce social policy innovations, such as conditional cash transfer programs. The article discusses the increased role of international organizations for the framing of the global social policy discourse, and that the discourse has been changing since the onset of the neo-liberal ideological wave since the early 1980s. Finally, the article comments on whether welfare states can be looked upon as a global public good, and that this may be one reason why welfare is globalizing.

### Introduction

The year 2016 saw the BREXIT-referendum as the first step towards the United Kingdom leaving the European Union, the first member state to leave the Union, which currently has

---

<sup>\*</sup> Professor, Department of Comparative Politics, University of Bergen

28 members, and the election of Donald Trump as the new president of the United States of America, promoting an “America First”, nationalistic and protectionist program. To a considerable extent these events signify mass political reactions to economic globalization and the effects of neo-liberalist policies during the last 20-30 years. Right-wing, nationalistic, populist parties have during the last few years gained ground almost all over Europe, promoting variations of anti-immigration, anti-Euro and anti-EU platforms. The upcoming, in 2017, of the presidential election in France, and general elections in the Netherlands and Germany, may quite likely corroborate these political streams.

So, is the most recent era of globalization over, or are advanced democracies of the world just making a halt to adjust their course? And what do these political trends mean for welfare state development? There is little indication that voters want less of social and welfare policies, in fact, often the contrary, but they want more national political control of developments and the possibility of holding their elected representatives and governments accountable for policies in a policy process which has become more complicated in a context of expansion of international, and in Europe, supra-national, levels of governance. The rising new populist-inclined parties in general argue in favor of a strong welfare state, but one which primarily caters to their own co-national citizens.

In this paper I shall argue that in spite of retrenchment policies in many advanced welfare states, on which there is a rich literature, the idea and policies of welfare is spreading and globalizing. The era of globalization of the economy has not meant a “race to the bottom” of welfare states. Also globalization of social and welfare policies appears to take place, including the emergence and diffusion of social policy innovations, exemplified by the initiation and spread of conditional cash transfer programs of various kinds from Brazil and Mexico to other Latin American countries to African and Asian countries.

## **1. A look in the historical mirror**

The welfare state is a European invention that dates back to the last quarter of the 19<sup>th</sup> century (Flora, 1986: xii). The definition of the welfare state varies across time and space. A variety of welfare states, or welfare “regimes” or “models”, exist today in Europe and have also spread globally in recent decades (Arts and Gelissen, 2010). The concept of an East Asian welfare model emerged some 20 years ago to characterize the development of welfare states in East Asia, primarily in Japan, as the pioneer, South Korea, Taiwan, Singapore and Hong Kong (Goodman, Kwon and White, 1998; Peng and Wong, 2010; Izuhara, 2013). The concept of the welfare state encompasses ideas and institutions that make the state responsible for the (at least) basic welfare needs of the population under the state’s jurisdiction. The welfare state is a political response to social risks, but these vary – and are often perceived differently – over time and

across political systems, political parties and actors, and cultures. The role of the state is essential in the conception of a “welfare state”: state responsibility for social protection, regulation and provision of welfare benefits in cash or in-kind. The welfare state concerns policies for all kinds of social security, health, housing, labor markets, families, children and, normally, education. The extent of population coverage, principles of entitlements, systems of financing, organization and administration, needs coverage, and benefit generosity vary. The concept of “the welfare state” has, broadly speaking, a positive connotation in today’s Europe, but not so in the USA, and is more ambiguously and not so widely used in the (East) Asian context. This is partly so because the meaning of “welfare”, linguistically speaking, differ, but also because expectations differ as to what the role of the state should be in welfare provision. The concept of the welfare state has, however, spread globally in academic, media and political circles, since it first began to come into common academic and political usage in European countries in the 1950s and 60s. *The Oxford Handbook of the Welfare State* (Castles et al., 2010), takes stock of both the historical and current status of the welfare state in Europe and the world, as do the *Handbook on East Asian Social Policy* (Izuhara, 2013) more specifically in the East Asian context.

The origins of the welfare state can be traced to major economic, social and political transformations in European societies. Industrialization, urbanization, demographic change and capitalism gave rise to new social risks and problems, new political forces and demands for political and social rights. Societal changes and their massive social consequences such as vulnerable wage labor, unemployment, poverty, industrial accidents, etc, challenged traditional forms of welfare provided through families, voluntary organizations, churches, charities, guilds and local communities. A “new thinking” about the social role of the state emerged in academic, state administrative and political circles. The first major social insurance legislation, in Germany in the 1880s, was initiated “from the top”, out of fear of socialism and regime instability, but could also be seen as a pre-emptive political response to new demands formulated by emerging and growing labor movements. The German innovative role motivated other European countries to follow suit and create new socially active roles for the state. Both authoritarian and democratic and democratizing countries introduced social insurance schemes.

A total of about 50 social insurance laws of varying types and scope were introduced in Europe, North America and the Antipodes before the world’s first social democratic or labor party government (Australia in 2010) had been formed (Kuhnle and Sander, 2010). On entering the 20<sup>th</sup> century, social policy had become a crucial issue on the political agenda in Europe and the Western world. European countries has initiated social insurance of some kind before World War I, but the war experience, and the Russian revolution in 1917, brought radicalizing impulses for a more socially active state. During the interwar period state social insurance and protection was extended in terms of scope of risks dealt with, population coverage, and through the expansion of compulsory coverage.

Japan was the first non-Western country to introduce social insurance legislation, with a law on accident or occupational injury insurance in 1911, and it followed up with a sickness insurance law in 1922. In general, the interwar period was the time when the idea and practice of social security spread from Europe or “the West” to other regions of the world, most notably to North, Central and Latin America, and to Japan. This expansion was not least triggered by the International Labour Organization (ILO) established in 1919. ILO reported regularly on national social legislation throughout the world and passed resolutions and made recommendations for further development of social security internationally.

The major expansion of the European welfare states came in the first thirty year period after World War II, also called “the Golden Age of the welfare state” (Pierson, 1991; Esping-Andersen, 1996). The war itself fostered a basis for stronger political consensus and solidarity (Marshall, 1965; Titmuss, 1950; Goodin and Dryzek, 1995), and the notion of social rights as a key element of universal human rights was strengthened in and beyond Europe. The Universal Declaration of Human Rights was passed by the UN in 1948, and “the right to health” was one element of this declaration and of the 1948 constitution of the World Health Organization. Across European countries, with different parties in power, there was a general consensus to pursue policies that promoted high employment and high taxation to finance welfare state expansion. Social security, health and education programs were expanded, benefits raised, scope and quality of services improved, new groups of beneficiaries included, and new schemes introduced. Stable and relatively high rates of economic growth made welfare state expansion possible. In Western Europe and other parts of the Western world economic growth was usually followed, or accompanied, by the build-up of welfare state institutions. Economic growth and expansion of state welfare grew hand-in-hand. Since the mid-1970s, economic, political and demographic changes have induced continuous reform activity, very often in the form of “retrenchment”, in efforts to limit growth in social expenditure and the ever-expanding public responsibility for improved and more generous welfare. But due to the consolidation of social rights and demographic change towards an ageing society, social expenditures as a proportion of Gross Domestic product (GDP) has remained high and at relatively stable levels in OECD countries, for the most part between 20 percent and 30 percent, during the recent two decades, according to the OECD Social Expenditure Database.

## **2. Growth without welfare?**

The World Bank published in 1993 a report on *The East Asian Economic Miracle* without references to social policy developments (World Bank, 1993). The concept of “miracle” was used to describe the region’s high-growth economies, especially represented by the so-called four small tigers Hong Kong, South Korea, Singapore and Taiwan. By not referring to social policy or

challenges of social security and protection the report conveyed the message that growth without welfare is possible, even though in an earlier, bigger tiger in terms of population, Japan, strong economic growth and democratic development was accompanied by social policy legislation in all major fields (Kamimura, 2006). The miracle was succeeded in the summer of 1997 by a non-anticipated currency and stock market crisis which had devastating effects on society as a whole in large parts of the region, from Thailand via South Korea to Indonesia. This made my Swedish colleague Sven Hort and me ask what happened to whatever form of social security there was during the miracle period, but also to investigate the more general questions: to what extent East and South-east Asian countries delayed the introduction of social insurance schemes compared to European pioneering countries, in the sense of introducing them only at a much higher level of 'modernization' or 'development'; and whether the economic miracle achieved by some of these countries was based on or accompanied by attempts to deliberately forestall or retrench welfare state schemes; and whether the financial crisis of 1997-98 led to attempts at lowering or changing standards of social protection (Hort and Kuhnle, 2000). We studied patterns of economic growth and welfare state development in terms of timing of various kinds of social insurance/protection legislation in 10 East and South-east Asian countries, and compared with historical developments in Western Europe since the late 19<sup>th</sup> century. The 10 countries were Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, China, and Japan. To what extent did the Asian countries follow or avoid the Western pathway of welfare state development? The reason for asking this question was that in the mid-1990s, during the years before the crash, the low-spending 'welfare states' of East and South-east Asia not only attracted increasing attention among Western scholars and politicians, but were actually pointed out as potential welfare models for the West. Governments of capitalist East and South-east Asia presented themselves as supportive of a small public sector, the market and family-based social provisions, and at least rhetorically distanced themselves from the welfare institutions and values orientations of Western countries. Our findings and conclusions were, however, that the Asian countries generally introduced social security programs at a lower level of 'modernization' (as measured by levels of industrialization and urbanization) than Western European countries did historically; that rapid and strong economic growth (in the decade 1985-1995) in general had been accompanied by welfare or social policy expansion; and that even after the financial crisis of 1997, expansion of state welfare responsibility was more evident than efforts to reduce or dismantle state welfare responsibility, South Korea being a prime example (Hort and Kuhnle, 2000; see also Kamimura, 2006). The Asian financial crisis did not hit Japan particularly hard, and a major new reform – the Long-Term Care Insurance – had been introduced in 1997. Since 2000, China, in particular has taken active steps to expand social policies in many fields, e.g. health care and pensions, although overall social expenditure as proportion of GDP is still very modest by European standards (Kettunen, Kuhnle, Ren, 2014; Izuhara, 2013). In terms of social expenditure, the Japanese

welfare state is located halfway between the Western European countries and other East Asian countries (Takegawa, 2013). Economically developed East Asian countries face many of the same welfare challenges as advanced European welfare states, e.g. ageing of society, changes in the labor market, changes in the role of the family, and social inequality. Although scope of state involvement and level and nature of public responsibility for welfare in general differ from European countries, the study of developmental trends and experience so far tells us that political attention to public welfare responsibility has increased, and that “growth without welfare” would be a misperceived characterization of the East Asian economies.

### **3. Globalization of the welfare state**

‘Globalization’ has become a global buzz-word during the last two decades, not least thanks to the development of information technology. A revolution in global communication with internet was set in force in the 1990s and has become a basis and catalyzer for other kinds of globalization. Many different meanings, definitions, and dimensions of ‘globalization’ exist. Let me briefly review some major dimensions of globalization and discuss and argue how they relate to the possible globalization of social policy and welfare state development.

Globalization is a dynamic concept, implying a description of a process, of something which is changing, something which is becoming more global one way or other. This ‘something’ can be many different things. Broadly, it refers to a process through which the nation-state, organizations, companies and/or individuals are becoming more open to influences that are transnational and supra-national (Mishra, 2004), and any of these actors relating and responding to and acting (or non-acting) upon such international influences. Globalization implies new opportunities across national politically-defined borders for communication, trade, economic transactions, political mobilization and (inter-)actions, and policy-learning – for better or worse. Three major dimensions of globalization are often highlighted in the literature: economic, political and cultural globalization. In what way has any of these aspects of globalization had an impact, if any, on social policy or welfare state development? With social policies or welfare state policies I refer to policies of income security and maintenance for workers, employees, citizens or residents in cases of loss, or lack, of income, and policies which provide health and care services, and other measures which make it possible for all citizens, and even non-citizen residents, within a nation to enjoy a reasonably decent standard of life. What is considered “decent” will of course always be contested by various actors – and scholars – at various times and in different contexts. Problems and challenges are both objectively measured and subjectively perceived different in Norway, USA, Brazil, Kenya, China and Japan.

### 3.1. Economic globalization

Globalization is most often understood as economic globalization, i.e. factors which facilitate economic relations and financial transactions across national and regional borders. According to Palier and Sykes (2001), economic globalization can mean: internationalization of economic exchanges and production; internationalization of trade: foreign direct investments; international corporate networks; the abandonment of regulation on financial flows and trade which leads to increasing mobility of capital and ownership, goods, services and labor; different regime of free trade competition at a world-wide scale; global markets; new dislocation and relocation of economic activities in and between nations; and increasing tax competition between countries. Assumedly, internationalization of national economies reduce national political autonomy and is directly or indirectly assumed to put pressure on social policies and leading to retrenchment or deconstruction of the welfare state. But there is no direct link between the above-mentioned aspects of economic globalization and social policy development at the national level. Nations have developed different institutions for social security and welfare, giving rise to differentiating types or models of welfare states (Titmuss, 1958; Esping-Andersen, 1990; Castles et al., 2010; Izuhara, 2013). Institutional legacies differ among countries at similar levels of economic development, both among rich and poor countries. At the time when many aspects of economic globalization accelerated, from the late 1980s, nations had created welfare regimes of different scope and types, thus one should not expect nations to react in identical ways to new economic challenges. Both politics and culture matters. It is empirically established that for example European governments have responded differently to perceived economic problems and challenges during the last 25 years. Similarly, challenges in East Asian countries have differed, and so have social policy responses. Opinions differ as to how comprehensive state welfare responsibility should be, what level of social security should be guaranteed, and how much equality is desired. Two countries which are both well integrated in the world economy and at the same level of economic development may for political or cultural reasons develop different social policies. The governments of the Nordic countries have chosen different paths from those of the USA and UK. Thailand has chosen differently from Hong Kong, and both have chosen differently from South Korea and Taiwan. It can be observed that some of the most developed welfare states – among those with the largest share of GDP spent on social and welfare purposes – evolved historically in the more open (“more global”) economies, such as the in the smaller Scandinavian countries (Katzenstein, 1985; Esping-Andersen, 1996). Comprehensive social policies have been seen as a way to protect domestic labor markets and to protect citizens from the risk of exposure to a volatile international economy. Thus, the Scandinavian or Nordic experience may offer some lessons for nations which more recently have become more integrated in an open world economy. In Scandinavia, social policy has also been seen as a means to increase ‘human capital’, to invest

in education and thus strengthen productive forces. Investment in education is also an important characteristic of East Asian nations, and can be seen as an element of a broad definition of social policy. Social policy can also be seen to foster social, economic and political stability which in turn is conducive to foreign investment and economic growth, as I would argue is part of the Nordic experience (Kuhnle and Hort, 2004). Other studies support the finding that high levels of welfare expenditure are not incompatible with an open and competitive economy (e.g. Hay, 2005).

### **3.2. Political globalization**

Political globalization can refer to the growth of transnational political interactions – at the governmental level and among non-governmental organizations. The growth of international organizations within many fields is primarily a post-WWII development. A number of global and international institutions have been established to promote democracy, human rights, health, trade, environmental protection, etc. Issues, ideas and actions have become more global, but not only for the better, also international crime, human trafficking, and terrorism have become more global. In the politics of welfare, I would argue that social security and welfare policies, or “the welfare state”, has gradually become more globalized: more and more international organizations have social policy, poverty and inequality issues on their agenda, such as the UN, OECD, EU, World Economic Forum, and others, and more and more nations provide various kinds of state-legislated social insurance and health schemes, and anti-poverty policies, as for example innovative conditional cash transfers programs in many emerging and relatively poor economies. Almost all countries of the world have instituted some kind of pension policy for some population group or for all citizens, while unemployment insurance is least developed on a global scale, and understandably so since the big size of the informal economy in many parts of the world makes unemployment insurance less relevant. Political globalization is often thought to imply a weakening of nation states (e.g. Gray, 1998): their loss of political legitimacy, but also to imply attempts to re-create or establish (new) international political institutions (Palier and Sykes, 2001). International organizations, such as the World Bank, IMF, WHO, OECD, EU ILO and others play in various ways a role in the global politics of welfare. Some of these organizations have for a long time promoted a neo-liberal ideological global perspective (e.g. World Bank, IMF, OECD), while others defend and promote a perspective of a more socially active state (e.g. EU, ILO). The neo-liberal perspective is severely weakened after the financial crisis in Asia in 1997, the SARS epidemic in the early 2000s, and the dramatic global financial crisis after 2007-2008. The position of those who favor strong state institutions and an important welfare role of national governments have been strengthened. Recent waves of refugees and out-of-area immigrants, especially to Europe, have strengthened the demand for strong state institutions which can also provide the most basic form of (social) security. Social policy responses may differ, given



different institutional trajectories and different values and interests of dominant political actors in various countries, but social policy issues are definitely on the agenda everywhere, and of no less importance than before the latest era of economic globalization. The experience of neo-liberal ideology and practice has not meant a 'race to the bottom' of the welfare state, although retrenchments occur, and social issues demanding government policy responses are continuously on the agenda. I think we can observe that competing perspectives on the role and importance of social policy are increasingly played out in the global social policy discourse in academia and in international organizations of various kinds.

### **3.3. Cultural globalization**

Another major aspect of globalization is what we can call 'cultural globalization' as something associated with the (mostly) free and instantaneous circulation of information and of knowledge about different 'ways of life' made possible by development of information technology, telecommunications and other kinds of transport and communications. One topical illustration: Seconds after the newly-inaugurated President Trump makes use of "twitter" in the middle of the night, the whole world can read his message on-line. Globalization is sometimes referred to as 'westernization' or 'americanization' (Scholte, 1996), since the USA and 'the West' have had a technological and political advantage in spreading information, knowledge, ideas, institutions and products around the globe. Another way to look at cultural globalization is to state that it implies at least homogenization of world cultures. But I think it is reasonable, and can be empirically supported, to say that many processes of change take place and going on in different geographical directions. When 'sushi pizza' is being served in Japan, it is an illustration of local adaptation of global ideas and products giving rise to new products. Globalization can sometimes be understood as something which threatens traditional, local and national cultures (Palier and Sykes, 2001), or that certain ideas, beliefs, perceptions, life styles, products and consumption patterns become global. Globalization can be understood both as homogenization and universalization, but also as something which increases citizen exposure to a greater variety of ideas, institutions, products, and ways of life than had been possible ever before in history. The point about cultural globalization is simply that all people around the world, with some perhaps notable exceptions for many people in some authoritarian regimes, are simultaneously exposed to the same variety of for example ideas and products. Cultural (and political) explanations may help us understand why European countries have historically developed much stronger welfare states than the USA, why there exists a concept of 'Social Europe' but not one of 'Social America' (and it does not seem likely to be launched under the new 'America First' president Donald Trump). For many American voters European welfare states are perceived as socialist monsters. Some have argued, e.g. Rieger and Leibfried (2003), that history and cultural foundations of

East Asian societies make it unlikely that these societies will actively develop comprehensive social policies, but I think the experience of Japan, as well as more recently of South Korea and Taiwan, with their universal health systems and comprehensive pension schemes, proves that East Asian states can and do take a more active social policy role. China is another example of active expansion of social policy programs (Kettunen, Kuhnle, Ren, 2014). I think it may well be that East and Southeast Asian countries will develop welfare states which resemble (slightly reformed) European types than the American type. Global media and popular communication and increased interactions through international institutions and organizations spread ideas globally more easily than before. Policy-learning has become easier, nations more easily learn about 'best practice'. Cultural globalization can be conducive to the development of global discourses, also on social policy challenges and solutions, and I think we have seen some recent examples of this through discourses based on research and studies of economic and social inequality in the world (e.g. Piketty, 2014; Stiglitz, 2012). But the outcome of discourses for social policy making and implementation will be mediated through regional, national, and local political and cultural 'filters'.

#### **4. Globalization of social policy in perspective**

Globalization and the development of social policy can be studied within the frame of any of the mentioned dimensions of globalization, but economic globalization have been given most weight. But empirical experience so far indicates that nations react differently to similar domestic and/or international challenges. Political and cultural resilience persist. I would argue that political and cultural globalization must also be taken into account in order to understand what happens, or is likely to happen, to social policy development and reform activity in nations around the world.

The welfare state has turned out to be more resilient than expected after the neo-liberal ideological wave swept the world since the early 1980s, manifested by the Thatcher and Reagan years in power, but also by OECD, which published in 1981 the book *The Welfare State in Crisis* (OECD, 1981). One paradox is that the strongest attack on the extensive social policy role of the state came in some of the least comprehensive modern Western welfare states, not in the most comprehensive welfare states in the North European and Continental European welfare states. This is one indicator of the importance of politics and culture. Politics matter. Culture matters. It also shows that neo-liberalism is not "the only game in town", as many examples of social policy development in the non-Western world show. The simple fact that scope of social policies vary significantly across countries at similar stages of economic development and wealth, and with similar degrees of openness to the world economy, proves that social policies are results of political preferences and choices. The independent effect, or the size of an independent economic effect, of economic globalization on social policy development is contested (Palier

and Sykes, 2001; Yeates, 2001; Hay, 2005). The effects of political and cultural globalization may be more important, in the sense that certain perspectives on social policy gain hegemony in the global discourse, that certain global ideas on social policy are increasingly accepted by national governments and being transformed into national policies. Ideology can sometimes be as important as – or more important than – economic global processes. The impact of the global political discourse on globalization and social policy should be studied: how is the discourse framed and how ideas are spread, referred to and accepted by national governments around the world. Why are certain policies developed? How are policies justified? One political effect of economic globalization may increasingly be more international, governmental cooperation on regulation in order to secure certain agreed upon social standards and avoid the so-called “race to the bottom”, i.e. that social policies are sacrificed in order to compete better in the international economy. The EU represents one example of a transnational – even part supranational – regional institution which has the potential to regulate tax and social policy in ways which are inconsistent with the neo-liberal ideology. I should emphasize “potential”, since the EU currently has a number of existential problems to deal with following the British referendum on BREXIT, and the rise of nationalistic, populist, mostly rightwing parties in many European countries. Part of the challenges for any country in the globalized and globalizing world is to have some influence on the global thinking about the state and welfare. Who has the power to frame the debate on the politics of welfare, and what social policy perspective will emerge as dominant in coming years? Will American perspectives on social, economic and political development decrease in importance when President Trump succeeds in making America more inward-looking, nationalistic and protectionist? What perspectives will emerging strong economic and political powers, e.g. China, India, Brazil, bring to the global discourse on social policy? Will international organizations such as OECD, EU, World Bank, ILO, ASEAN, and others play a different role on the politics of welfare in the future? ‘Global ideas’ appear to have played a significant role in the legitimization of welfare reforms during the recent era of globalization (Deacon, 1999), thus it becomes important to study how these international organizations frame the discourse on social policy and who/which countries take on major roles in this discourse in an economically and politically changing world.

## **5. The welfare state as a ‘global public good’?**

As a little contribution to the global political discourse on social policy, I would argue that perhaps the welfare state can be seen as an example of ‘global public good’ in the meaning that the existence of developed, national welfare states – with universal education, social security and health systems – makes for less social inequality, more social stability, and less risk of spread of contagious diseases both within and beyond nation states. In a world with increasing mobility national welfare states create positive externalities. The effects of anti-poverty policies

and investment in universal public health care systems at a national level are positive for a wider international community. It makes a difference for the world whether developed welfare states maintain and consolidate their welfare states and emerging economies are encouraged and given incentives to develop more comprehensive welfare states. Public goods are recognized as having benefits that cannot easily be confined to a single “buyer” (or set of “buyers”) (Kaul et al., 1999). The welfare state – social security, poverty elimination, health, education – has public good qualities just as e.g. financial stability, efficient markets, clean environment, peace and security, equity and justice. With globalization, externalities – the “extra” costs (and benefits) – are increasingly borne (or enjoyed) by people in other countries than one’s own. The benefits of developed welfare states reach across borders, and can thus be understood as a global public good. This perspective also implies that international cooperation and coordinated policy-making on broadly-defined social, health and welfare policies may be increasingly necessary in order to preserve and develop national welfare states and thus contribute to their character of global public goods (Kuhnle, 2012). “Increased labour and capital mobility, climate change, the spread of contagious diseases, all these require wider international regulation, rules about rights to protection, to safety nets, to refugee status” (Glennerster, 2010). European provision of limited social inequality through the welfare state may be considered an example of a global public good. Europe, through the European Union, is moving beyond pure national responsibility for welfare, and in spite of substantial problems of creating common European policy solutions in the spirit of the ‘global public good’ perspective, I would say that a European process, or Europeanization process, has been initiated, which seems currently stalled, but which may in the longer run succeed and offer a model for other regions of the world.

## **Conclusion**

Studies of globalization and development of social policy have arrived at different conclusions, varying from the view that economic globalization has a significant impact upon welfare states and social policy through the perceived or observed increasing dominance of the market economy, to the view that globalization has relatively little impact on welfare states, to the “middle view” that globalization has an effect upon welfare states and social policy development, but that these effects are mediated through (national) institutional structures and policy responses, and filtered through a variety of political and cultural experiences and traditions. Thus, the non-economic aspects of globalization must be brought into the study of welfare state development. In my view, it is important to study aspects of political and cultural globalization in order to understand the formation, spread and ascendancy of ideas of social policy and the role of the state in a more globalized world. We shall need a better understanding of how and to what extent processes of economic, political and cultural globalization are interdependent.

## References

- Arts, Wil A. and Gelissen, John (2010), "Models of the Welfare State", in Castles, Francis G. et al. (eds.) *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Castles, Francis G., Leibfried, Stephan, Lewis Jane, Obinger, Herbert, and Pierson, Christopher (eds.) (2010), *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Deacon, Bob (1999), "Towards a Socially Responsible Globalization: International Actors and Discourses", GASPP occasional papers, no. 1. Helsinki: STAKES.
- Esping-Andersen, Gøsta (1990), *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press.
- Esping-Andersen, Gøsta (ed.) (1996), *Welfare States in Transition*. London: Sage.
- Flora, Peter (1993), "The National Welfare States and European Integration", in Moreno, Luis (ed.) *Social Exchange and Welfare Development*. Madrid: Consejo Superior de Investigaciones Científicas.
- Glennerster, Howard (2010), "The Sustainability of Welfare States", in Castles, Francis G. et al. (eds.) *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Goodin, Robert E. and Dryzek, John (1995), "Justice deferred: wartime rationing and postwar welfare policy". *Politics and Society* 23 (1): 49-73.
- Goodman, Roger, Kwon, Huck-ju and White, Gordon (eds.) (1998), *The East Asian Welfare Model: Welfare Orientalism and the State*. London: Routledge.
- Gray, John (1998), *False Dawn: The Delusions of Global Capitalism*. London: Granta Books.
- Hay, Colin (2005), "Too Important to Leave to the Economists? The Political Economy of Welfare Retrenchment". *Social Policy and Society* 4 (2): 197-205.
- Hort, Sven E.O. and Kuhnle, Stein (2000), "The coming of East and Southeast Asian Welfare States?". *Journal of European Social Policy* 10 (2): 162-184.
- Ishihara, Misa (ed.) (2013), *Handbook on East Asian Social Policy*. Cheltenham, UK: Edward Elgar.
- Kamimura, Yasuhiro (2006), "Welfare states in East Asia: Similar conditions, different past and divided future", in Nakagawa, Junji (ed.) *Managing Development: Globalization, Economic Restructuring and Social Policy*. London: Routledge.
- Katzenstein, Peter (1985), *Small States in World Markets: Industrial Policy in Europe*. Ithaca, NY: Cornell University Press.
- Kaul, Inge et al. (eds.) (1999), *Global Public Goods: International Cooperation in the 21<sup>st</sup> Century*. Oxford: Oxford University Press.
- Kettunen, Pauli, Kuhnle, Stein and Ren, Yuan (eds.) (2014), *Reshaping Welfare Institutions in China and the Nordic Countries*. Helsinki: NordWel.
- Kuhnle, Stein and Hort, Sven E.O. (2004), "The Developmental Welfare State in Scandinavia". Geneva: UNRISD, Social Policy and Development, Paper No. 17.
- Kuhnle, Stein and Sander, Anne (2010), "The Emergence of the Western Welfare State", in Castles, Francis G. et al. (eds.) *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Kuhnle, Stein (2012), "Globalization of the Welfare State", in Anckar, Carsten and Anckar, Dag (eds.) *Comparisons, Regimes, Elections. Festschrift for Lauri Karvonen*. Åbo: Åbo Akademi Press.
- Marshall, Thomas H. (ed.) (1965), *Class, Citizenship and Social Development*. 2<sup>nd</sup> ed., garden City, NY: Anchor Books.
- Mishra, Ramesh (2004), "Globalization, Social Protection and Productive Welfare: An International Perspective", in Mishra, Ramesh, Kuhnle, Stein, Gilbert, Neil, and Chung, Kyungbae (eds.) *Modernizing the Korean Welfare State*. New Brunswick, NJ: Transaction.
- OECD (1981), *The Welfare State in Crisis*. Paris: OECD.
- Palier, Bruno and Sykes, Robert (2001), "Challenges and Change: Issues and Perspectives in the Analysis of Globalization and the European Welfare states", in Sykes, Robert, Palier, Bruno and Prior, Pauline M. (eds.) *Globalization and European Welfare States*. Houndsmills, Basingstoke, Hampshire: Palgrave.

- Peng, Ito and Wong, Joseph (2010), "East Asia", in Castles, Francis G. et al. (eds.) *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press.
- Pierson, Christopher (1991), *Beyond the Welfare State? The New Political Economy of Welfare*. University Park, PA: Penn State University Press.
- Piketty, Thomas (2014), *Capitalism in the Twenty-First Century*. Cambridge, MA: Belknap Press.
- Rieger, Elmar and Leibfried, Stephan (2003), *Limits to Globalization*. Cambridge: Polity Press.
- Scholte, Jan Aart (1996), "Beyond the buzzword: a critical theory of globalization", in Kofman, Eleonore and Youngs, Gillian (eds.) *Globalization: Theory and Practice*. London: Pinter.
- Stiglitz, Joseph (2012), *The Price of Inequality*. NY: W. W. Norton & Company.
- Takegawa, Shogo (2013), "Between Western Europe and East Asia: development of social policy in Japan", in Izuhara, Misa (ed.), *Handbook on East Asian Social Policy*. Cheltenham, UK: Edward Elgar.
- Titmuss, Richard M. (1950), *Problems of Social Policy*. London: H.M. Stationary Office.
- Titmuss, Richard M. (1958), *Essays on the Welfare State*. London: George Allen & Unwin.
- World Bank (1993), *The East Asian Miracle: Economic Growth and Public Policy*. Washington, D.C.: The World Bank.
- Yeates, Nicola (2001), *Globalization and Social Policy*. London: Sage.